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THE WHITE HOUSE

WASHINGTON

June 5, 1978

MEMORANDUM TO:

Department and Agency Congressional

Liaison Officers

FROM:

Les Francis

Deputy Assistant for Congressional Liaison

SUBJECT:

Letter from the President to Chairman

Mahon dated June 1, 1978

At our CL meeting on Friday, June 2, there was a discussion about the President's deep concerns regarding a variety of appropriation bills currently under consideration by the Congress. One demonstration of that concern was the letter he sent to Chairman Mahon on Thursday, June 1.

Enclosed you will find a copy of that letter for your information and use.

cc: Frank Moore

Hubert L. Harris, Jr.



THE WHITE HOUSE

WASHINGTON June 1, 1973

To Chairman Mahon

I deeply appreciate the cooperation and shared responsibility shown by the Congress in passing a budget resolution which provides for a significant reduction in the projected deficit for fiscal year 1979 through modifications in the timing and size of the pending tax reduction. Responsibility in restraining spending increases is likewise necessary to meet our economic goals. I am, therefore, writing to share my concerns with the bills now being considered by the full Appropriations Committee. Many of these bills contain significant increases to discretionary programs, some of which are often obscured by reductions to uncontrollable entitlement programs and other budget adjustments. These appropriations increases are particularly distressing since significant portions of them will be spent in future years, and because the Committee has deferred action so far on a number of large, unauthorized programs. I am also opposed to the recommendations of some subcommittees to make unacceptable infringements to Executive powers, such as some pending restraints in my ability to manage the Executive workforce.

My budget for fiscal year 1979 is fair and equitable and contains considerable program enhancements over the budgets recommended by prior administrations. I believe that discretionary program increases which exceed the budget in total, and are not offset by decreases in discretionary funding for other programs, cannot be justified when inflation is the major economic problem and when the deficit stands at more than \$50 billion.

I would encourage the Committee to consider appropriate measures to reduce the size of discretionary budget authority increases during full Committee action. If the Committee does not move in this direction, my Administration will suggest modifying some of the key appropriations bills on the House floor.

I am currently drafting a more comprehensive letter which details my concerns with both pending authorizing and appropriations bills, and I will send it to the Congress

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shortly. I intend to follow future Congressional action on spending bills closely and will not hesitate to veto any legislation which I do not believe the country can afford given our current economic circumstances.

Sincerely,

The Honorable George H. Mahon Chairman Committee on Appropriations House of Representatives Washington, D.C. 20515